

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-08 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 STR-05 CEA-01
AGRE-00 ACDA-12 /104 W
-----031361 021131Z /14

R 021013Z DEC 77
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 5331
INFO AMEMBASSY BANGKOK
AMCONSUL HONG KONG
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
AMEMBASSY SINGAPORE
CINCPAC

C O N F I D E N T I A L SECTION 1 OF 2 JAKARTA 16230

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS
TAGS: PGOV, BEXP, EEWT, ID, VN
SUBJECT: SRV TRADE MISSION TO INDONESIA

REF: JAKARTA 18475 (NOTAL)

1. SUMMARY. DURING NOVEMBER 19-30 VISIT TO INDONESIA SRV
TRADE DELEGATION EXPLORED POSSIBILITY OF EXPANDING BILATERAL
TRADE AND OF PROFITING FROM INDONESIAN EXPERIENCE IN
PRODUCTION SHARING ARRANGEMENTS WITH FOREIGN OIL COMPANIES.
GOI EXPRESSED INTEREST IN DELIMITING WATER BOUNDARIES AND
IN RENEWING TRADE AGREEMENT. ACCORDING TO OUR FONDEPT SOURCES
SRV REPRESENTATIVES, WHO WERE DESCRIBED AS MERELY TECHNICIANS,
LEFT RESPONSES TO INDONESIAN SUBSTANTIVE INQUIRIES FOR SRV
FONMIN NGUYEN DUY TRINH, WHO IS SCHEDULED TO VISIT JAKARTA
CONFIDENTIAL

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AT END OF MONTH. INDONESIANS PROVIDED THEIR VIETNAMESE
GUESTS WITH FIRST CLASS TOURS OF MAJOR INDUSTRIAL PROJECTS AND
OFFSHORE DRILLING SITES. SRV DELEGATION DESCRIBED THE VISIT
AS A "GREAT SUCCESS," WHILE SUHARTO IN A MORE CAUTIOUS VEIN
EXPRESSED CONFIDENCE THAT THE TWO COUNTRIES COULD WORK TO-
GETHER PROVIDED THE INTERNAL AFFAIRS OF EACH NATION WERE
RESPECTED. END SUMMARY.

2. A TEN-MAN SRV DELEGATION, LED BY DEPUTY FOREIGN TRADE
MINISTER NGUYEN CHANH, VISITED INDONESIA NOVEMBER 19-30, 1977

PRIMARILY TO EXPLORE WITH GOI OFFICIALS THE POSSIBILITIES OF EXPANDING BILATERAL TRADE. DUE TO UNFORESEEN CANCELLATIONS OF PLANNED VISITS TO SINGAPORE AND MANILA, THE SRV DELEGATION ARRIVED IN JAKARTA EARLY AND DID NOT ACTUALLY BEGIN TALKS UNTIL NOVEMBER 24. ACCORDING TO GOI, CURRENT VISIT TO INDONESIA WAS INTENDED AS A FOLLOW-UP TO A SIMILAR ONE MADE BY SRV DEPUTY FOREIGN MINISTER PHAN HIEN IN JULY, 1976.

3. THE PRESS REPORTED THAT, IN ITS MEETING WITH DIRGEN OF FOREIGN ECONOMIC, SOCIAL AND CULTURAL RELATIONS B.S. ARIFIN, THE SRV DELEGATION SUBMITTED A NEW TRADE COOPERATION "FORMULA" DESIGNED TO REPLACE THE NOW-DEFUNCT 1956 TRADE AGREEMENT. ARIGIN, IN REPLY TO PRESS QUERIES, DESCRIBED THE NEW FORMULA AS "MORE WIDE-RANGING" THAN THAT OF 1956, AND DECLARED THAT THE FORMULA "WOULD BE STUDIED FIRST BY THE INDONESIAN SIDE." FONDEPT DIRECTOR FOR ASIAN AND PACIFIC AFFAIRS COMMODORE SUDARSONO TOLD US GOI WAS ITSELF INTERESTED IN NEW TRADE AGREEMENT BUT THAT SRV TRADE DELEGATION HAD POSTPONED SUBSTANTIVE DISCUSSIONS UNTIL JAKARTA VISIT OF THEIR FONMIN DGUYEN DUY TRINH NOW SCHEDULED FOR END OF MONTH.

4. THE SRV DELEGATION HELD LENGTHY DISCUSSIONS WITH MINISTERS AND OTHER HIGH-LEVEL OFFICIALS AT THE DEPARTMENTS OF TRADE, CONFIDENTIAL

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MINES, INDUSTRY AND AGRICULTURE, AND OTHER PRIVATE QUASI-GOVERNMENT BODIES. IN ADDITION TO THESE TALKS, WHICH PRESS SAID COVERED IMPROVEMENT OF TRADE AND ECONOMIC COOPERATION, THE GOI SPONSORED VISITS FOR THE SRV DELEGATION TO SEVERAL AGRICULTURAL AND INDUSTRIAL SITES, AMONG THEM THE GIBINONG CEMENT FACTORY, THE INTIRUB TIRE FACTORY, THE PUSRI FERTILIZER COMPLEX IN SUMATRA, THE JATIBARANG OIL FIELD AND THE CILICAP OIL REFINERY.

5. ACCORDING TO PRESS REPORTS, CHANH INDICATED THAT VIETNAM COULD EXPORT TO INDONESIA SUCH PRODUCTS AS RICE, FRUITS/VEGETABLES, SUPER PHOSPHATE FERTILIZER AND VARIOUS TYPES OF AGRICULTURAL IMPLEMENTS. MINISTER OF TRADE PRAWIRO SUGGESTED THAT, IN ORDER TO GAIN BETTER ACCESS TO THE INDONESIAN MARKET, THE SRV PARTICIPATE IN THE ANNUAL JAKARTA FAIR, TO WHICH CHANH REPORTEDLY RESPONDED POSITIVELY SAYING HE WELCOMED THE OFFER AND WOULD STUDY THE POSSIBILITY FOR PARTICIPATION. CHANH ALSO EXTENDED AN INVITATION TO INDONESIAN BUSINESSMEN TO VISIT VIETNAM AND BECOME ACQUAINTED WITH THE VARIETY OF PRODUCTS AVAILABLE FOR EXPORT TO INDONESIA.

6. THE SRV DELEGATION, ACCORDING TO THE PRESS, EXPRESSED AN INTEREST IN EXPLORING CHANCES FOR IMPORTING UREA FERTILIZER, CEMENT, IRON RE-INFORCED CONCRETE, PLYWOOD, ALUMINUM, TEXTILES, PALM OIL, CRUDE OIL AND OTHER PETROLEUM PRODUCTS FROM INDONESIA.

7. THE SRV ALSO HELD DETAILED TALKS WITH OFFICIALS OF THE DEPARTMENT OF MINES ON MINING AND PETROLEUM PRODUCTION AND THEIR RELATIONSHIP TO CAPITAL INVESTMENT POLICIES. THE DELEGATION SPECIFICALLY VOICED AN INTEREST IN LEARNING "FROM THE INDONESIAN EXPERIENCE IN OIL MANAGEMENT, ESPECIALLY IN THE PRODUCTION SHARING CONTRACT SYSTEM WITH FOREIGN FIRMS." INDONESIAN ACTING FONMIN MOCHTAR KUSUMAATMADJA ACKNOWLEDGED TO PRESS THAT THERE WERE INDEED POSSIBILITIES
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FOR COOPERATION IN THIS AREA AND SAID THERE MAY IN THE NEAR FUTURE BE AN EXCHANGE OF OIL EXPERTS TO FOLLOW-UP THIS PROPOSAL.

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<< END OF DOCUMENT >>

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